

AGENDA ITEM VII B
CONDITIONALLY APPROVED CENTER
LOUISIANA STATE UNIVERSITY
CENTER FOR VIRTUAL ORGANIZATION AND COMMERCE

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BACKGROUND INFORMATION

At its meeting on February 25, 1999, the Board of Regents took the following action:

On motion of Regent D'Aquin, seconded by Regent Toups, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant approval for the request from Louisiana State University to establish a Center for Virtual Organization and Commerce, with the stipulation that, prior to the initiation of Center operations, the University shall supply the Commissioner of Higher Education with a current and five-year budget for Center operations. During 2003-04, the Board of Regents shall examine whether this Center has achieved expectations and whether there is a continued need for its existence.

Louisiana State University submitted a *Status Report for the Center for Virtual Organization and Commerce* (CVOC) on February 11, 2004. Following the departure of its original director and key faculty, the CVOC has been reconstituted under new leadership. The summary which follows reflects the center's revised mission and current activities, which are described in the *Status Report* and subsequent correspondence.

STAFF SUMMARY

1. Mission/Objectives

Located in the Department of Information Systems and Decision Sciences (ISDS), the CVOC is “to serve the professional and research information systems communities with quality basic research, applied research and consultation. The Center primarily is engaged in the management of basic research into the development, application, and use of decision, e-commerce and information systems, particularly in virtual organizations. It also has specific programs that support economic development of the information systems and technology industry in Louisiana.”

2. Faculty

Currently, the center has six faculty members associated with it: four are faculty in the Ourso College of Business Administration (COBA) at LSU A&M, one is in the COBA at the University of New Orleans, and the fourth is in the College of Business at Florida State University.

Faculty are engaged in basic and applied research programs:

Basic Research

1. “The **Decision Support** Program is designed to conduct research into executive information systems (IES) development and employment, Group Decision Support Systems (GDSS) development and employment, and Strategic Information Structures (SIS), support and development.
2. The **Information Systems** (IS) program is designed to focus on IS staffing issues particularly in public-sector organizations, post-IS adoption behavior and process, and the key elements of virtual organizations behavior and structure.”

e.g., an NSF-funded project entitled “ITW: Attracting Women into the Information Technology Workforce through Technology Immersion”

Applied Research

“In the business area, initial programs have been undertaken to assist an organization with its board of director’s decision process and with governance development. In another, the focus is upon managerial development through more sophisticated use of complex information. Government assistance programs have been undertaken to assist the State of Louisiana with implementation of ERP [Enterprise Resource Planning] systems and with team-building efforts to facilitate more efficient implementation of systems.”

e.g., a “\$49,000 grant from flow through money from the Federal Highway Safety Administration for the development, in the DECIDE Room, of a new crash report application to be placed on laptops in police cars”

The Director’s goal is to increase the number of associate faculty to twelve.

3. Facilities

One central support facility for the CVOC is the **DECIDE Room** (Decision Evaluation and Complex Information Development Environment):

This facility, developed with funding primarily from LSU CAPITAL [state IT Initiative funding] supplemented with funding from the Schlieder Chair is perhaps the centerpiece of the CVOC strategy, and it serves as the enabling or support element for many of its programs... It is designed as a corporate boardroom or executive support facility and equipped with the latest hardware and software [MS Office, Synchroeyes, Group Systems] to facilitate its purpose and programs. While the facility is not completely finished, testing of its capabilities has begun, as have initial projects that are designed to bring it to full operational status.

The Ourso College also hosts an **SAP UCC** (University Competency Center). SAP is business software designed (among other things) to integrate and monitor multiple streams of business data in real-time so that informed plans and decisions can be made on that basis. The UCC provides a number of SAP applications for academic use; up to twelve universities around the country use them. The UCC also hosts SAP-sponsored faculty workshops.

4. Other Activities

Distinguished Speaker Series. The CVOC has been sponsoring a Distinguished Speaker Series since the Fall of 2002.

Program Development. “Initial work also has been undertaken to develop a joint e-commerce program between Marketing and ISDS in the MBA program. Additional programs are planned between ISDS and Finance and with ISDS and the Entrepreneurial Institute.”

5. Administration

The CVOC is administered by a Director who is advised by a Board of Directors composed of leading education, IT, and business personnel.

6. Budget

Due to the departure of the CVOC’s director and key faculty, the university reports that the budgetary history of the center has been difficult to construct. From 1998 to Fall 2002, the CVOC was supported by proceeds from the Ourso Family Distinguished Chair in Information Science (\$2M) and external funding in the form of grants. Some accrued earnings of the E. G. Schlieder Chair in Information Science were also used in 2001 to fund the center. Starting in FY 2002, when Dr. Clark became director, there were some funds left over from *both* Chairs; these were pooled to form the revenue figures below for 2001-02 and 2002-03.

Revenue	1998-99	1999-00	2000-01	2001-02	2002-03
Accrued earnings from the Ourso Family Chair in Information Sciences	\$ 157,210	\$ 185,628	\$ 156,978		
Combined accrued earnings from the Ourso Chair <i>and</i> the Schlieder Chair	-	-	-	\$207,898	\$ 196,925

Expenditures are reported as follows.

Expenditures	1998-99	1999-00	2000-01	2001-02	2002-03
Salaries, benefits, graduate assistants, travel, furnishings, equipment, software, supplies, etc.	\$ 173,723	\$ 134,979	\$ 161,952	\$ 144,473	\$172,461

From Fall 2002 to the present, all non-grant related expenditures at the CVOC have been paid for by the proceeds of the Schlieder Chair, which generates approximately \$60,000 per year.

CVOC faculty have been successful in landing external grants, as follows. Projected and pending revenue are shown in italics.

Grant revenue	2002-03	2003-04	2004-05	2006-07	2007-08
SAP	\$ 100,000	\$ 100,000	\$ 100,000	\$ 200,000	\$ 200,000
Louisiana DOTD	-	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000
Federal Highway Safety Commission	-	\$ 49,000	-	-	-
NSF	-	\$ 400,000	\$ 400,000	\$ 400,000	-
Total	\$ 100,000	\$ 909,000	\$ 860,000	\$ 960,000	\$ 460,000

STAFF ANALYSIS

The CVOC made demonstrable progress during the first three years of its operation. After the departure of the director and key faculty, center activities stalled. Recently, it appears that the new director has gathered and focused significant expertise in the university and surrounding community. The CVOC's mission has been focused. The stability of Schlieder Chair funding is reassuring. The ability of current faculty to attract external funding is evident, even though the number of associated LSU faculty is still small. Given the history of the CVOC, the re-organization that was necessary, and the reasonable prospects that the center will secure more external funding, the staff believes it prudent to recommend an approval period of three years. After three years, the staff recommends that the center be required to provide an implementation report as to the status of its research initiatives and the details of its financial condition.

STAFF RECOMMENDATION

The staff recommends that the Academic and Student Affairs Committee receive the 2003-04 status report regarding the Center for Virtual Organization and Commerce at Louisiana State University and A&M College. The Center for Virtual Organization and Commerce is hereby reauthorized through June 1, 2007. By that date, the CVOC shall submit an implementation report to the Commissioner of Higher Education which describes the status of its research initiatives and the details of its financial condition.